

**INFORMATIONAL UPDATE IN CONNECTION WITH NASSAU COUNTY'S
RFP # CE0812-0557 ENTITLED "REQUEST FOR PROPOSALS FOR THE
REDEVELOPMENT OF THE NASSAU VETERANS MEMORIAL COLISEUM SITE"**

NOTICE OF INVITATION TO SUBMIT BEST AND FINAL OFFERS

Notice is hereby given that on November 23, 2005 the County issued its Notice of Invitation to Submit Best and Final Offers to each of the four development teams who presented proposals for the Redevelopment of the Coliseum Site. As stated in the Invitation, Best and Final Offers are due on Friday, December 23, 2005, and must be submitted to Mr. Frank Ryan, Director of Purchasing, 240 Old Country Road, Suite 307, Mineola, New York 11501.

The following is the Invitation and Attachments A and B thereto.

**INVITATION TO SUBMIT BEST AND
FINAL OFFERS**

**FOR PROPOSALS FOR THE
REDEVELOPMENT OF THE NASSAU
VETERANS MEMORIAL COLISEUM
SITE**

**To: The Engel Burman Group – Kabro Associates
Coliseum Redevelopment Corporation
Lighthouse Development Group, LLC
Polimeni International LLC and The Cordish Company**

Issue Date: November 23, 2005

Nassau County
Long Island, New York



TABLE OF CONTENTS

This invitation contains the following sections:

A.	Introduction	1
B.	BAFO Submission Instructions	3
C.	General	3

Appendices:

- Attachment A Best and Final Offer Term Sheet
- Attachment B Development Parameters

A. INTRODUCTION

This is an Invitation to Submit Best and Final Offers. (A “Best and Final Offer” is referred to herein as a “BAFO.”) This invitation is made as part of the review process by Nassau County (the “County”) in connection with the redevelopment of the site of the present Nassau Veterans Memorial Coliseum (the “Coliseum Site”) comprising approximately 77 acres.

The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County’s vision for New Suburbia and with the following principal goals:

- (i) the renovation or replacement of the Coliseum building into a state-of-the-art, world-class sports and entertainment facility at no cost to the County;
- (ii) the extension of the Islanders’ agreement or an agreement with a comparable professional sports franchise;
- (iii) the use of structured parking adjacent to the Coliseum building to free up land for other development;
- (iv) the creation of a mixed-use, commercial/residential development;
- (v) the construction of Next Generation Housing;
- (vi) the expansion of the tax base for Nassau County, the Town of Hempstead and applicable school district(s); and
- (vii) the enhancement of the Coliseum site with a viable public transportation system connecting the site with the greater area known as the Nassau County Hub; concurrent with positive impacts and relationships on surrounding development and parcels.

By way of background, in the fall of 2004 the County negotiated the terms of a potential disposition of the Coliseum Site with an entity known as the Lighthouse Development Group, LLC. The proposed lease with Lighthouse Development Group, LLC was filed in the Office of the Clerk of the Nassau County Legislature on March 9, 2005.

Subsequently, and on August 12, 2005, the County issued RFP No. CE0812-0557 (the “RFP”) entitled “Request for Proposals for the Redevelopment of the Nassau Veterans Memorial Coliseum Site” in an effort to determine whether there existed any alternative competitive opportunities for the disposition of the Coliseum Site. Three developers submitted proposals in response to the RFP by the deadline of October 3, 2005. Proposals were received from The Engel Burman Group – Kabro Associates, Coliseum Redevelopment Corporation, and Polimeni International, LLC and The Cordish Company. The proposed lease by Lighthouse Development Group is now being evaluated as a proposal along with these proposals.

As part of the review and evaluation of the four proposals, the County issued General and Specific Clarification Questions. The answers to the general and specific questions posed to the four development teams are posted on the County’s website at www.nassaucountyny.gov.

On November 10, 2005 the County held a public meeting in connection with the RFP and the redevelopment of the Coliseum site. At this public meeting, each of the four development teams presented to the Nassau County Evaluation Team, including its consultants and legal advisors, members of the Nassau County Legislature, the media, general public and others, its concept for the redevelopment of the Coliseum site. The PowerPoint presentations and a transcript of the proceedings are also posted on the County's website.

As a result of the presentations and in furtherance of an open, fair and competitive process, the County has deemed all four proposals for the redevelopment of the Coliseum Site as responsive to the requirements of the RFP. Accordingly, the County's election to issue this Invitation to Submit Best and Final Offers to the four development teams is being made pursuant to Section H(A) of the RFP and all BAFO responses received in response shall be subject to and governed by the terms and conditions contained in the RFP.

B. BAFO SUBMISSION INSTRUCTIONS

Each of the four development teams is invited to submit a BAFO to the County in connection with the RFP. The BAFO must be comprised of the development team's cover letter and completed **Attachments A, B, and C**, as well as such additional materials as the development team may wish to submit to better describe its offer.

The County recognizes that the development parameters and conceptual site plan are preliminary and may be subject to change in accordance with necessary reviews and approvals. With respect to the County's role in reviewing development parameters and site plans, the County primarily intends to ensure that the parameters and plans are consistent with the County's vision for New Suburbia.

The BAFO shall consist of:

- The cover letter.
- **Attachment A** is a term sheet setting forth the County's vision or proposed terms for the significant components of the redevelopment of the Coliseum Site. The form of this attachment is included herein as Attachment A. We invite you to provide your response to this statement of the County's vision and proposed terms. You must describe your offer in your response on the electronic version of this attachment and indicate, where applicable, whether you agree with the County's vision or terms, or you must provide an alternative with an explanation supporting your alternative. Please note that your BAFO will not be deemed non-responsive in the event that you do not agree with any or all of the County's proposed terms. You must, however, include your own alternative proposals.
- **Attachment B** is a statement of development parameters of the proposed conceptual site plan. The form of this attachment is included herein as Attachment B. Please use the electronic version of this attachment to provide your response.

- **Attachment C** is a site plan of the proposed 77 acre redevelopment, including: proposed parking; use, access and right-of-ways for a future public transportation system; and all dimensions for buildings and other improvements. There is no form for this attachment included herein and developer must provide its own.

Attachment "A" must be signed by all principals of the development team. The original and ten (10) copies of the BAFO, together with all attachments, must be submitted to the County in a sealed opaque envelope no later than 4:00 p.m. EST on December 23, 2005. Developer should place materials responsive to Section II of the Term Sheet entitled "Financial Terms", and any and all pertinent financial information which developer deems to be confidential and/or of a proprietary nature, in a separate, sealed opaque envelope marked "CONFIDENTIAL – FINANCIAL TERMS." The materials in the envelope should also be marked confidential. The County intends to post on the County's website information not marked confidential which is received in response to this invitation to submit a BAFO. No telegraphic or facsimile BAFOs will be accepted. Any late BAFOs will be returned unopened. The County is under no obligation to return BAFOs.

The developers must submit the BAFOs and direct all responses, questions, and any other communications to the following authorized contact person:

Mr. Frank Ryan
Director of Purchasing
240 Old Country Road, Suite 307
Mineola, New York 11501
Telephone: (516) 571-4060
Facsimile Number: (516) 571-4263

C. GENERAL

Please note that, as stated above, your BAFO response shall constitute a submission under the RFP, and, therefore, it shall be subject to and governed by all of the terms and conditions set forth in the RFP which are unchanged and remain in full force and effect. The County reserves all rights, including the right to (i) request additional information to assist the County in evaluating, analyzing and selecting a developer and (ii) use the BAFOs as a basis for negotiation with one or more developers.

Following the selection of a developer, the County and the developer shall proceed to negotiate a lease, contract or other development agreement which shall set forth the terms of the redevelopment and will allow the developer to seek to obtain the required approvals and proceed with the project. Such agreement may be subject to modification upon mutual agreement to address issues and alternatives that arise during the approval process.

ATTACHMENT “A”

BEST AND FINAL OFFER TERM SHEET

Directions: This is a two-part Best and Final Offer Term Sheet. You must complete **Sections I** and **II**, signing each section where indicated. Section II must be submitted together with the relevant financial information in a sealed envelope. The sealed envelope and the materials in the envelope should be marked ***CONFIDENTIAL – FINANCIAL TERMS***.

SECTION I DEVELOPMENT PLAN		
TERM	COUNTY VISION	PROPOSER’S RESPONSE
I-1 Development Concept:	<p>The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County’s vision for New Suburbia and with the following principal goals:</p> <ul style="list-style-type: none"> (i) the renovation or replacement of the Coliseum building into a state-of-the-art, world-class sports and entertainment facility at no cost to the County; (ii) the extension of the Islanders’ agreement or an agreement with a comparable professional sports franchise; (iii) the use of structured parking adjacent to the Coliseum building to free up land for other development; (iv) the creation of a mixed-use, commercial/residential development; (v) the construction of Next Generation Housing; (vi) the expansion of the tax base for Nassau County, 	

	<p>the Town of Hempstead and applicable school district(s); and</p> <p>(vii) the enhancement of the Coliseum site with a viable public transportation system connecting the site with the greater area known as the Nassau County Hub; concurrent with positive impacts and relationships on surrounding development and parcels.</p>	
I-2 The Coliseum Site:	<p>Section 44, Block F, Lots 403 and 351 aggregating approximately 77 acres (the “Coliseum Site”). The Coliseum Site is currently comprised of a Coliseum building which hosts the New York Islanders, a National Hockey League team, and is a site for concerts and other entertainment events. The Coliseum is surrounded by surface parking. The County’s concept includes the use of structured parking adjacent to the Coliseum building to free up land for mixed-use, residential/commercial development. Developer should indicate how adjacent sites may relate, complement and enhance redevelopment of the Coliseum Site.</p>	
I-3 Disposition Structure	<p>The County will consider a sale or a lease for a term not exceeding 99 years.</p>	
I-4 Coliseum Site Development and County Review and Approval	<p>The vision for the redevelopment of the Coliseum Site is for a transformation of the site into an attractive multiple-use destination center consistent with the County’s vision for New Suburbia. The County will reserve the right to review and approve developer’s site plan attached to the Best and Final Offer and any and all changes to the developer’s site plan(s), including those that result from the Town of Hempstead’s review and approval process,</p>	

	<p>in each case, essentially to ensure that the plan is consistent with the County’s vision for New Suburbia. With respect to the Coliseum building renovation, the County will retain approval rights over the building plans and designs. These County approvals will be in addition to all other requisite approvals, such as those required from the Town of Hempstead.</p>	
<p>I-5 Option Period</p>	<p>Developer will be given a 2 year option period, subject to a potential 2 year extension upon County approval, to obtain the required zoning changes, site plan approvals and all other requisite governmental approvals necessary to commence construction, including the requisite environmental review under the State Environmental Quality Review Act (“SEQRA”), as well as to complete its own environmental reviews, apply for state and federal incentives, conduct other due diligence and effectuate the SMG lease termination, amendment, or condemnation to obtain site control. (The original 2 year period, together with any extension, is referred to herein as the “Option Period”).</p> <p>If the purchase does not close, or lease commence, prior to the expiration of the Option Period, the County may terminate the agreement.</p>	
<p>I-6 Coliseum Renovation</p>	<p>The County recognizes that the level of renovation will be, in part, a function of the commitment of the professional sports franchise to play at the Coliseum building and that the amount and type of Coliseum renovation required will be based on the underlying sports agreement. Based on a minimum extension of the Islanders’ agreement to 2025, or an agreement with a comparable professional sports franchise for a similar</p>	

	<p>term, developer will be required to:</p> <ul style="list-style-type: none"> (i) renovate or replace the Coliseum offering a state-of-the art, modern facility in accordance with building plans and specifications approved by and in all respects acceptable to the County, including a financial investment of at least \$150 million (not including parking); (ii) construct adequate on-site, structured parking dedicated to the Coliseum. Developer must indicate the number of on-site, structured parking spaces it proposes; (iii) complete the Coliseum renovations within 3 years after closing or the lease commencement date; (iv) complete the construction of the Coliseum renovation and ancillary parking prior to commencing construction on any non-Coliseum improvements; and (v) provide adequate parking for the Coliseum at all times. <p>Developer must set forth its offer to renovate the Coliseum building, including specific details such as a description of the proposed renovation work and the timeline for construction.</p>	
I-7 Sports Franchise	<p>Developer will be required to demonstrate to the County that it has obtained an extension of the New York Islanders' agreement to play professional hockey at the Coliseum for a term acceptable to the County, or, in lieu thereof, for an agreement with a comparable professional sports franchise(s) acceptable to the County. It is the County's objective to obtain a long-term (<i>e.g.</i>, greater than 10 years) commitment from the Islanders or a comparable professional sports franchise.</p>	

I-8 Reverter/Lease Termination	In the event that the Islanders or another comparable professional sports franchise acceptable to the County ceases to play sporting events at the Coliseum, title to the Coliseum building and land necessary to support the Coliseum building shall, at the option of the County, revert back to the County or the lease of such land shall terminate, as applicable.	
I-9 Coliseum Operations	Developer will be required to maintain and operate the Coliseum in a first-class manner, maximizing opportunities to host events and generate economic impact for the County. A first class operation requires meeting industry standards for a similarly situated state-of-the-art, multipurpose, professional sports and entertainment arena. The Coliseum building must be used for sporting and entertainment events consistent with those events held at other state-of-the-art arenas.	
I-10 Next Generation Housing	Developer shall be required to commit to build a minimum of 20% for-sale/rental residential units within the Coliseum Site, which units must be for “Next Generation Housing,” defined as housing that is affordable for a family or individual having an annual income up to 120% of the Area Median Income as defined by the United States Census.	
I-11 Public Transportation	Developer shall be required to provide for public transit access and use at the Site in connection with a future transportation system. Developer must provide for rights-of-way, public access easements and financial investment dedicated to the effective and efficient use of a new transportation system. Please show preliminary	

	<p>transportation features in the conceptual site plan (Attachment “C”). To make this vision a reality, the County wishes to secure a partner committed to development at the Coliseum Site which is supported by a public transportation system servicing both the Coliseum and the greater area known as the Nassau County Hub.</p>	
I-12 Insurance:	<p>Developer, under a lease scenario, will be required to provide property and casualty insurance on the Coliseum and improvements necessary for the operation of the Coliseum and liability insurance on the entire Coliseum Site, all in such amounts, with such companies and pursuant to policies which, in each case, must be acceptable in form and substance to the County.</p>	
I-13 Repairs:	<p>Developer shall be responsible, at developer’s sole cost and expense, for making all repairs to the Coliseum building and improvements necessary for the operation of the Coliseum building, including repairs resulting from a casualty.</p>	
I-14 Assignment:	<p>The contract of sale or lease may not be assigned without the County’s consent.</p>	
I-15 U.S. Green Building Certification	<p>Developer will be required to obtain a “Certified” ranking under the LEED rating system.</p> <p>The entire 77 acre Coliseum site shall be planned, designed and constructed to achieve certification under the Leadership in Energy and Environmental Design for Neighborhood Developments (LEED-ND) Rating System. The development team shall apply for certification under the LEED-ND pilot program.</p>	

I-16 Public and Green Space	Developer shall clearly identify all proposed public spaces, including green spaces. Public and green spaces shall be designed to provide first class amenities to the public, with sensitivity to both the adjacent structures and the surrounding community needs.	
I-17 Antenna Rights:	County reserves right to use portions of the Coliseum Site or the improvements thereon for operation of telecommunications equipment.	
I-18 County Use of Coliseum:	County reserves the right to use Coliseum for County events up to 10 days per year, at no cost to the County other than payment by County of actual expenses, subject to availability.	

All principals of the development team must respond to each point above and sign below. These signatures authenticate the response submitted herein and constitute acceptance of the County's process, requests and submission requirements to date regarding proposals for the redevelopment of the Coliseum Site.

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

SECTION II FINANCIAL TERMS		
TERM	COUNTY VISION	PROPOSER'S RESPONSE
II-1 Financial Benefits to the County	<p>The County seeks to maximize the payments, economic benefits, and any other return on investment to the County in connection with the disposition of the Coliseum Site. The proposed financial benefits to the County should reflect the level of development shown on developer's site plan and in the development parameters attached to the Best and Final Offer.</p> <p>Developer must provide its best and final offer with respect to the following payments to the County.</p> <p>(a) If the disposition is a lease of the Coliseum Site,</p> <p>(i) Option Period Rent. The County is suggesting a 2 year option period with a potential 2 year extension. Developer must identify when during the Option Period, and in what amount, developer proposes to start making option payments.</p> <p>(ii) Base Rent. Developer must set forth the amount</p>	

	<p>of guaranteed base rent lease payments, as well as the commencement date for such rent, the proposed base rent escalations (<i>e.g.</i>, the type/timing), and the proposed fair market rental resets.</p> <p>(iii) Rent Increases. Developer must set forth its offer to increase the guaranteed base rent if beneficial development (<i>e.g.</i>, greater density) is approved and land value is increased, including any proposed formula for any such increased base rent. If the development plan is based on multi-phase development, developer must set forth its offer to increase the guaranteed base rent or other payment to the County in this instance.</p> <p>(iv) Purchase Option Payments. If there is a purchase option during the lease term, developer must describe the mechanics of this option, including the land to be purchased and the purchase price.</p> <p>(v) Real Estate Taxes. Developer will be expected to pay all real estate taxes on the land and the improvements, except that developer will not pay the County-portion of real estate taxes on the Coliseum building itself.</p> <p>(vi) Utilities. Developer will be solely responsible. Developer agrees to purchase any hot and chilled water, and steam, that the County obtains from Trigen.</p> <p>(b) If the disposition is a fee simple transfer of the Coliseum Site, developer must identify the proposed purchase price to be paid to the County, together with the proposed payment terms. The purchase price should be based upon “as is” physical condition of the property, and should assume that the approvals for the developer’s proposed development shall have been granted. Please</p>	
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	provide any alternatives that would be applicable in the event of changes during the approval process.	
II-2 Coliseum Renovation	Developer must set forth the total cost of renovations to the Coliseum building and parking, including specific details on the breakdown of expenses.	
II-3 Revenue Sharing	The County seeks revenue sharing opportunities with respect to the operations at the Coliseum, including ticket sales, luxury boxes, club seats, concessions, franchises, naming rights, broadcast rights and parking. Please set forth your offer to provide the County with revenue-sharing opportunities from operations at the Coliseum building.	
II-4 SMG Lease Buyout / Condemnation	Developer will be required to terminate or amend the SMG lease to obtain site control. This may be accomplished through mutual agreement or condemnation, in either case, at developer's sole cost and expense. Developer must identify the preferred course of action and set forth estimated expenses associated with that course of action.	
II-5 Public Transportation	Developer must set forth its offer of financial support for public transportation improvements.	
II-6 Financing Plan	<p>The developer must provide to the County its financing plan which must be satisfactory to the County (in consultation with its advisors) in all respects.</p> <p>This financing plan should include all information required to provide the County sufficient data to evidence that the proposed development can be financed, constructed, and delivered in a timely</p>	

	<p>fashion. The financing plan should contain the following:</p> <ol style="list-style-type: none"> 1. Development schedule and budget; 2. Sources and uses statement; <ul style="list-style-type: none"> • Sources, amounts, terms and conditions of financing and developer's equity; and • Breakdown of uses of funds in the project, including an itemized list of all costs associated with the improvements of the Site. 3. Evidence of financing consistent with sources and uses statement; 4. Evidence of financial capacity of lenders and equity sources; 5. Identity and financial capacity of guarantor to guaranty lien-free completion of the project <p>At the County's request, developer will submit a supplemental financing plan setting forth such information as County (in consultation with its advisors) deems, in the exercise of its sole discretion, helpful or relevant in evaluating developer or any aspect of its proposal and indicating any and all changes from any initial financing plan.</p>	
II-7 Completion Guaranty:	<p>Developer shall be required to deliver to the County a guaranty of the lien-free completion of the Coliseum renovation (including all improvements necessary for the operation of the Coliseum) in accordance with applicable law, and all other improvements proposed to be completed on the balance of the Coliseum Site, together with bonds, security deposits and/or other security acceptable to the County. All guaranties must be</p>	

	<p>executed by entities and/or individuals whose financial capability shall have been demonstrated to the County's satisfaction. Please describe the amounts and various types of security instruments that are being offered to guaranty performance and completion.</p>	
<p>II-8 Costs and Expenses</p>	<p>The developer shall be solely responsible for the following costs and expenses:</p> <ul style="list-style-type: none"> (i) to the extent applicable, New York State real property transfer and conveyance taxes; (ii) recordation fees with respect to any recordable instruments contemplated by the documents, such as a lease or contract of sale, which shall govern the disposition of the Coliseum Site; and (iii) the cost of any surveys desired by the Developer. <p>In addition, the Developer shall also be responsible for payment of the following costs and expenses of the County in connection with this disposition, the negotiation and drafting of the contract of sale/lease and related documents, and the closing of any transactions relating to the disposition of the Coliseum: fees and disbursements of outside counsel, engineers, appraisers, consultants, and financial and real estate advisors retained by the County.</p> <p>Disposition of the Site will trigger the need for an environmental review(s), including review under SEQRA. The Developer will fully compensate the responsible governmental unit or units for all costs and expenses associated with compliance with applicable environmental laws and regulations, including but not limited to the cost and expenses of preparing any and</p>	

	all reports, analysis, and documentation; public notifications, outreach, meetings, and hearings; and the procurement of environmental consultants and counsel as may be required.	
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All principals of the development team must respond to each point above and sign below. These signatures authenticate the response submitted herein and constitute acceptance of the County's process, requests and submission requirements to date regarding proposals for the redevelopment of the Coliseum Site.

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

Attachment "B"

Development Parameters

Space Summary	GBA*	# of Units	# of Stories	Land Allocation (acres)
Residential				
Office				
Retail				
Restaurant				
Entertainment (non-arena)				
Hotel				
Other				
Totals				
FAR**				

*Gross Building Area

** Floor Area Ratio

Development Parking	Total # of Spaces	# of Structured	# of Surface	# of Off-Site	% Shared with Other Use
Residential					
Office					
Retail					
Restaurant					
Entertainment (non-arena)					

Hotel					
Other					
Total Parking					
Total GBA					
Coliseum Building Status					
Continued Use (Y/N)					
Demolition (Y/N)					
Expansion Only					
	Increase in Square Footage				
	Construction Timing (Commence/Complete)				
	Anticipated Costs				
Renovation Only					
	Increase in Square Footage				
	Construction Timing (Commence/Complete)				
	Anticipated Costs				
Alternate Use (Y/N)					
Coliseum Parking	# and Cost of Spaces On-Site, Structured		Number		Cost
	# and Cost of Spaces On-Site, Non-Structured				
	# and Cost of Spaces Off-Site, Structured				
	# and Cost of Spaces Off-Site, Non-Structured				
	Construction Timing		Commence		Complete

Development Construction Costs		Hard Costs	Soft Costs	Total Costs
Residential				
Office				
Retail				
Restaurant				
Entertainment (non-arena)				
Hotel				
Infrastructure (site improvement/parking)				
Other				
Sub-totals				
Development Timing		Commence		Complete
Planning/SEQRA				
Zoning Approvals				
Construction				
Lease-up/Sell-out				
Stabilized Occupancy				
Development Notes				

Updates: *The Nassau County website at www.nassaucountyny.gov will be the primary source of information and updates regarding all questions, inquiries and assertions.*

Dated: November 23, 2005